b. Non-emergency obstetric services were not offered as of December 21, 1987.

4. a. The hospital Medicaid inpatient utilization rate in 1.a. above shall be calculated once a year based on cost reports used for the July 1 rate setting.

b. The low-income utilization rate in 1.b. above shall also be calculated once a year every July 1.

5. Payments earned from having a disproportionate share hospital status shall be in addition to each hospital's base Medicaid per diem rate and shall be capped at 170 percent of their total cost per diem rate. All hospitals that qualify for disproportionate share status shall receive a minimum payment, as calculated based on the formula described in Section V.D.

6. The agency shall use the most recent audited data available at the beginning of each state fiscal year for calculating the disproportionate share rate. For state fiscal years 1993-94 , 1994-95, 1995-96 and subsequent state fiscal years, 1989 audited data shall be used for calculating the disproportionate share rate.

7. The total of all disproportionate share payments shall not exceed the amount appropriated, or the federal government's upper payment limits.

8. Hospitals that qualify for a disproportionate share payment solely under V.D.1.(a) or (b), above, shall have their payment calculated in accordance with the following formula:

$$TAA = TA \times (1/5.5)$$

$$DSHP = (HMD/TSMD) \times TAA$$

where:

TAA = total amount available.

TA = total appropriation.

DSHP = disproportionate share hospital payment.

HMD = hospital Medicaid days.

TSMD = total state Medicaid days.

9. The following formula shall be utilized for hospitals that qualify under V. D.2., to determine the maximum disproportionate share rate used to increase a qualified hospital's Medicaid per diem rate:

DSR = ((CCD/APD) x 4.5) + (MD/APD)

where

DSR = disproportionate share rate.

CCD = charity care days(as defined in Section X.H.).

APD = adjusted patient days (as defined in Section X.B.)

MD = Medicaid days.

10. For fiscal years 1992-1993, 1993-1994, 1994-1995, 1995-96 and subsequent state fiscal years, the following criteria shall be used in determining the disproportionate share percentage:

a. If the disproportionate share rate is less than 10 percent, the disproportionate share percentage is zero and there is no additional payment.

b. If the disproportionate share rate is greater than or equal to 10 percent, but less than 20 percent, then the disproportionate share percentage is 1.8478498.

c. If the disproportionate share rate is greater than or equal to 20 percent, but less than 30 percent, then the disproportionate share percentage is 3.4145488.

d. If the disproportionate share rate is greater than or equal to 30 percent, but less than 40 percent, then the disproportionate share percentage is 6.3095734.

e. If the disproportionate share rate is greater than or equal to 40 percent, but less than 50 percent, then the disproportionate share percentage is 11.6591440.

f. If the disproportionate share rate is greater than or equal to 50 percent, but less than 60 percent, then the disproportionate share percentage is 73.5642254.

g. If the disproportionate share rate is greater than or equal to 60 percent, but less than 72.5 percent, then the disproportionate share percentage is 135.9356391.

h. If the disproportionate share rate is greater than or equal to 72.5 percent, then the disproportionate share percentage is 170.00.

11. To calculate the total amount earned by all hospitals under this section, hospitals with a disproportionate share rate less than 50 percent shall divide their Medicaid days by four, and hospitals with a disproportionate share rate greater than or equal to 50 percent and with greater than 40,000 Medicaid days shall multiply their Medicaid days by 1.5, and the following formula shall be used by the agency to calculate the total amount earned by all hospitals under this section:

TAE = BMPD X MD X DSP

Where:

TAE = total amount earned

BMPD = base Medicaid per diem

MD = Medicaid days

DSP = disproportionate share percentage

In no case shall total payments to a hospital under this section, with the exception of state facilities, exceed the total amount of uncompensated charity care of the hospital, as determined by the agency according to the

most recent calendar year audited data available at the beginning of each state fiscal year.

12. In calculating regular disproportionate share payments for state fiscal year 1991-1992 only, for those hospitals with more than 30,000 Medicaid days in their 1988 audited Medicaid cost report, the agency shall add 28 points to the disproportionate share percentage for those hospitals with a disproportionate share rate greater than 60 percent and 5.5 points to the disproportionate share percentage for those hospitals with a disproportionate share rate greater than 50 percent but less than 60 percent. For fiscal year 1991-1992 only, the following criteria shall be used in determining the disproportionate share percentage:

    a. If the disproportionate share rate is less than 10 percent, the disproportionate share percentage is zero and there is no additional payment.

    b. If the disproportionate share rate is greater than or equal to 10 percent, but less than 20 percent, then the disproportionate share percentage is 2.1544347.

    c. If the disproportionate share rate is greater than or equal to 20 percent, but less than 30 percent, then the disproportionate share percentage is 4.6415888766.

    d. If the disproportionate share rate is greater than or equal to 30 percent, but less than 40 percent, then the disproportionate share percentage is 10.0000001388.

    e. If the disproportionate share rate is greater than or equal to 40 percent, but less than 50 percent, then the disproportionate share percentage is 21.544347299.

f. If the disproportionate share rate is greater than or equal to 50 percent, but less than 60 percent, then the disproportionate share percentage is 46.41588941.

g. If the disproportionate share rate is greater than or equal to 60 percent, then the disproportionate share percentage is 100.

13. The following formula shall be used to calculate the total amount earned by all hospitals under this subsection:

TAE = BMPD x MD x DSP

where:

TAE = total amount earned

BMPD = base Medicaid per diem.

MD = Medicaid days.

DSP = disproportionate share percentage.

14. If the total amount earned by all hospitals is not equal to the amount appropriated, and the amount appropriated is greater than $152,143,583, then adjust each hospital's share on a pro rata basis so that the total dollars paid equal the amount appropriated, not to exceed the federal government's upper payment limits. If the total amount appropriated for fiscal year 1993-1994 only, is less than $152,143,583, then calculate each hospital's share at an appropriation level of $152,143,583 and then reduce all hospitals' shares on a pro rata basis to equal the actual amount appropriated.

15. The total amount calculated to be distributed shall be made in quarterly payments subsequent to each quarter during the fiscal year.

16. Payments to each disproportionate share hospital as determined in Step 12 above shall result in payments of at least the minimum payment

adjustment specified in the Act. The Act specifies that the payment adjustment must at a minimum provide either:

a. An additional payment amount equal to the product of the hospital's Medicaid operating cost payment times the hospital's disproportionate share adjustment percentage in accordance with Section 1886(d)(5)(F)(iv) of the Social Security Act, or

b. A minimum specified additional payment amount (or increased percentage amount) and for an increase in such payment amount in proportion to the percentage by which the hospital's Medicaid utilization rate exceeds one standard deviation above the mean Medicaid inpatient utilization rate for hospital's receiving Medicaid payments in the state.

E. Determination of an outlier adjustment in Medicaid payment amounts for Disproportionate Share Hospitals for medically necessary inpatient hospital services involving exceptionally high costs or exceptionally long lengths of stay for individuals under one year of age. Exceptionally high costs are costs attributable to critically ill and/or extremely small (low birth weight) individuals who receive services in Neonatal Intensive Care Units (NICU) of hospitals that qualify for outlier payment adjustments. Exceptionally long lengths of stay are stays in excess of forty-five days.

1. Disproportionate Share Hospitals that qualify under V.D., above, for regular disproportionate share hospital payments and meet all of the following requirements shall qualify for an outlier adjustment in payment amounts.

a. Agree to conform to all agency requirements to assure high quality in the provision of service, including criteria adopted by departmental rule 10J-7.003, F.A.C., concerning staffing ratios.

medical records, standards of care, equipment, space and such other standards and criteria as specified by this rule.

b. Agree to provide information to the agency, in a form and manner to be prescribed by rule 10J-7.002(7), F.A.C., of the department, concerning the care provided to all patients in neonatal intensive care centers and high-risk maternity care.

c. Agree to accept all patients for neonatal intensive care and high-risk maternity care, regardless of ability to pay, on a functional space-available basis.

d. Agree to develop arrangements with other maternity and neonatal care providers in the hospital's region for the appropriate receipt and transfer of patients in need of specialized maternity and neonatal intensive care services.

e. Agree to establish and provide a developmental evaluation and services program for certain high-risk neonates, as prescribed and defined by rule of the department.

f. Agree to sponsor a program of continuing education in perinatal care for health care professionals within the region of the hospital, as specified by rule.

g. Agree to provide backup and referral services to the department's county public health units and other low income perinatal providers within the hospital's region, including the development of written agreements between these organizations and the hospital.

h. Agree to arrange for transportation for high-risk obstetrical patients and neonates in need of transfer from the community to the hospital or from the hospital to another more appropriate facility.

2. Hospitals that fail to comply with any of the above conditions, or the rules of the department under Chapter 10J-7, F.A.C., shall not receive any payment under this subsection until full compliance is achieved. A hospital that is non-compliant in two or more consecutive quarters, shall not receive its share of the funds. Any forfeited funds shall be distributed by the remaining participating program hospitals.

3. Outlier payment amounts earned by disproportionate share hospitals that meet all of the qualifications in 1.a. through 1.h., above, shall be in addition to each hospital Medicaid per diem rate.

4. The total of all outlier payment adjustments shall not exceed the amount appropriated.

5. The following formula shall be used by the agency to calculate the total amount earned for hospitals that qualify to receive outlier payment adjustments:

TAE = DSR x BMPD x MD

where:

TAE = total amount earned.

DSR = disproportionate share rate.

BMPD = base Medicaid per diem.

MD = Medicaid days.

6. The total additional payment for hospitals that qualify for outlier payment adjustments shall be calculated by the agency as follows:

TAP = (TAE x TA)/STAE

where:

TAP = total additional payment for an outlier facility.

TAE = total amount earned by an outlier facility.

STAE = sum of total amount earned by each hospital that qualifies for outlier payment adjustments.

TA = total appropriation for the outlier payment adjustment program.

7. Distribute the outlier payments in four equal installments during the state fiscal year.

F. Determination of Disproportionate Share Payments for Teaching Hospitals.

1. Disproportionate share payments shall be paid to statutorily defined teaching hospitals for their increased costs associated with medical education programs and for tertiary health care services provided to the indigent. In order to qualify for these payments, a teaching hospital must first qualify for regular disproportionate share hospital payments based on the criteria contained in Section V.D., above.

2. On or before September 15 of each year, the Agency for Health Care Administration shall calculate an allocation fraction to be used for distributing funds to state statutory teaching hospitals. Subsequent to the end of each quarter of the state fiscal year, the agency shall distribute to each statutory teaching hospital, an amount determined by multiplying one-fourth of the funds appropriated for this purpose times such hospital's allocation fraction. The allocation fraction for each such hospital shall be determined by the sum of three primary factors, divided by three. The primary factors are:

a. The number of nationally accredited graduate medical education programs offered by the hospital, including programs accredited by the Accreditation Council for Graduate Medical Education and the combined Internal Medicine and Pediatrics programs acceptable to both the American Board of Internal Medicine and the American

Board of Pediatrics at the beginning of the state fiscal year preceding the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the hospital represents of the total number of programs, where the total is computed for all state statutory teaching hospitals;

b. The number of full-time equivalent trainees in the hospital, which comprises two components:

(1) The number of trainees enrolled in nationally accredited graduate medical education programs. Full time equivalents are computed using the fraction of the year during which each trainee is primarily assigned to the given institution, over the state fiscal year preceding the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the hospital represents of the total number of full-time equivalent trainees enrolled in accredited graduate programs, where the total is computed for all state statutory teaching hospitals.

(2) The number of medical students enrolled in accredited colleges of medicine and engaged in clinical activities, including required clinical clerkships and clinical electives. Full-time equivalents are computed using the fraction of the year during which each trainee is primarily assigned to the given institution, over the course of the state fiscal year preceding the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the given hospital represents of the total